

Message Text

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TO AMEMBASSY MEXICO

INFO USMISSION GENEVA

C O N F I D E N T I A L STATE 281426

E.O. 11652: GDS

TAGS: PORG, WTO

SUBJECT: WTO - SITE OF FIRST ASSEMBLY

REF: MEXICO 10586

1. DEPARTMENT REPEATING TO EMBASSY MEXICO (A) STATE 262375, WHICH SETS OUT U.S. VIEWS ON INTERPRETATION AND IMPLEMENTATION OF STATUTES OF WORLD TOURISM ORGANIZATION (WTO), (B) STATE 277735, WHICH SUMMARIZES OUTCOME OF IUOTO EXECUTIVE COMMITTEE MEETING IN PANAMA, AND (C) STATE 277734, TEXT OF STATEMENT BY WTO PROVISIONAL SECRETARY GENERAL WHICH PROVIDED KEYNOTE FOR TREATMENT OF WTO ISSUES AT EXECUTIVE COMMITTEE MEETING.

2. UNTIL VERY RECENTLY LEADERSHIP OF INTERNATIONAL UNION OF OFFICIAL TRAVEL ORGANIZATIONS (IUOTO) HAS PURSUED ERRATIC AND LARGELY UNSATISFACTORY COURSE IN PREPARATIONS FOR TRANSFORMATION FROM NON-GOVERNMENTAL IUOTO TO INTER-
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GOVERNMENTAL WTO. ALL PROSPECTIVE DEVELOPED COUNTRY MEMBERS

(A MINORITY AMONG PROSPECTIVE WTO MEMBERSHIP) CONSEQUENTLY HAVE PROCEEDED WITH CAUTION (NONE HAVE RATIFIED WTO STATUTES) AND HAVE MADE IT CLEAR REPEATEDLY IN IUOTO MEETINGS THAT THEIR WILLINGNESS TO PARTICIPATE IN NEW ORGANIZATION WOULD DEPEND UPON DEMONSTRATIONS OF INTENTION TO ESTABLISH WTO AS AN EFFICIENTLY AND ECONOMICALLY STRUCTURED ORGANIZATION WHICH IS TECHNICALLY ORIENTED AND WILL OPERATE IN STRICT

ACCORDANCE WITH ITS STATUTES AND OTHER AGREED RULES. DEVELOPED COUNTRY MISSIONS IN GENEVA HAVE MET REGULARLY TO COMPARE NOTES ON TRANSFORMATION QUESTIONS AND, AS RESULT OF CONSULTATIONS U.S. AND OTHERS HAVE HAD WITH PROVISIONAL SECRETARY GENERAL AND INDEPENDENT LEGAL ADVICE HE HAS OBTAINED, REVISED PLANNING FOR FORMATION OF WTO NOW REFLECTS CLOSE ADHERENCE TO STATUTORY PROVISIONS. AS PROBABLE MINORITY IN NEW ORGANIZATION, DEVELOPED COUNTRIES REGARD THIS AS MINIMUM ESSENTIAL PROTECTION THEY MUST INSIST UPON IF THEY ARE TO JOIN WTO.

3. WE RECOGNIZE OBVIOUS ADVANTAGE CASTRO Y CASTRO SEES IN HOLDING FIRST WTO ASSEMBLY IN MEXICO (AS, OF COURSE, DO THE OTHER CANDIDATES FOR HEADQUARTERS SITE), BUT MADE IT CLEAR TO HIM IN U.S.-MEXICAN CONSULTATION IN SEPTEMBER, AND AT IUOTO MEETINGS BEFORE AND SINCE, THAT U.S. FELT STRONGLY THAT WTO MUST PROCEED IN STRICT COMPLIANCE WITH ITS OWN RULES. WE HAVE POINTED OUT TO HIM THAT OUR INTERPRETATION OF STATUTES REQUIRES THAT FIRST ASSEMBLY BE HELD IN GENEVA. WE EXPRESSED AGREEMENT WITH CASTRO Y CASTRO IN SEPTEMBER CONSULTATION THAT THIS SHOULD NOT BE RECOGNIZED AS FACTOR IN SELECTION OF SITE FOR PERMANENT HEADQUARTERS, AND ACKNOWLEDGED OBVIOUS RIGHT OF MEXICO TO PURSUE ITS EFFORTS TO SOLICIT SUPPORT FOR INTERPRETATION OF STATUTES WHICH WOULD PERMIT HOLDING FIRST ASSEMBLY IN MEXICO. WE CAUTIONED CASTRO Y CASTRO, HOWEVER, THAT WE BELIEVED IT WOULD BE UNWISE TO DO SO, AND AT PANAMA MEETING HE FOUND NO SUPPORT FOR MEXICAN INTERPRETATION.

4. IN EFFORT TO PERSUADE CASTRO Y CASTRO THAT U.S. IS NOT "WORKING AGAINST MEXICO", BUT WORKING HARD TO ASSURE WTO BECOMES PROPERLY CONSTITUTED, WE PROVIDED HIM AT CONFIDENTIAL

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PANAMA MEETING WITH TEXT OF U.S. INTERPRETATION OF STATUTES FOUND IN STATE 277735 AND POINTED OUT THAT THIS HAD BEEN THE BASIS OF OUR CONSULTATIONS IN GENEVA. HOWEVER, HIS SINGLE-MINDED COMMITMENT TO OBTAINING WTO HEADQUARTERS IS SUCH THAT HE PROBABLY WILL CONTINUE TO REGARD ANY STRICT ADHERENCE BY OTHERS TO STATUTORY PROVISIONS HE FINDS INCONVENIENT AS ACTIVE OPPOSITION TO MEXICAN EFFORTS. UNHAPPINESS HE EXPRESSES ABOUT U.S. VIEWS HAS

BEEN DUPLICATED IN STRONG REPRESENTATIONS HE HAS MADE TO PROVISIONAL SECRETARY GENERAL IN EFFORT TO REVERSE POSITIONS LATTER HAS TAKEN WITH RESPECT TO SITE OF FIRST ASSEMBLY.

5. WE HAVE ATTEMPTED TO MAINTAIN CORDIAL RELATIONS WITH CASTRO Y CASTRO BY EXPRESSING UNDERSTANDING FOR HIS OVERRIDING OBJECTIVE, WHILE EXPLAINING POINTS ON WHICH WE CAN-

NOT SUPPORT HIM. WE HAVE AT SAME TIME CAUTIONED HIM AGAINST EMPLOYING OPPORTUNISTIC TACTICS WHICH RISK DAMAGING ORGANIZATION MEXICO ASPIRES TO HOST. (THIS WOULD BE CASE ESPECIALLY IF PRESSURE TACTICS, TO WHICH HE HAS RESORTED, SHOULD DETER DEVELOPED COUNTRIES FROM JOINING WTO.) WE FEEL WE HAVE MADE SOME HEADWAY IN THIS POSTURE IN PERSUADING CASTRO Y CASTRO THAT THE U.S. HAS LEGITIMATE OBJECTIVES OF ITS OWN WITH RESPECT TO THE ESTABLISHMENT OF WTO, AND THAT OUR MOTIVATION IN PURSUING THESE MUST NOT BE REGARDED AS ANTI-MEXICAN. THIS CAN BE UNDERSCORED, AS AMBASSADOR DEMONSTRATED IN DECEMBER 18 DISCUSSION WITH CASTRO Y CASTRO (PARA 6 REFTTEL), BY CAUSING GOM OFFICIALS TO REFLECT ON RECENT ILLUSTRATIONS OF WHY U.S. APPROACHES SUCH NEW MULTILATERAL UNDERTAKINGS AS WTO WITH CIRCUMSPECTION AND INSISTANCE THAT CONSTITUTIONAL RULES AND ESTABLISHED PROCEDURES BE FOLLOWED.

6. DECISION ON SITE OF PERMANENT WTO HEADQUARTERS MUST BE MADE BY TWO-THIRDS MAJORITY OF WTO ASSEMBLY. BESIDES MEXICO CITY, MADRID, GENEVA, ISTANBUL, ZAGREB, AND NEW DELHI ARE ALSO CANDIDATES. WHILE VIGOROUS CAMPAIGN MEXICO HAS CONDUCTED MAY PRODUCE SUPPORT OF TWO-THIRDS AT FIRST ASSEMBLY, IT IS ALSO POSSIBLE THAT SUPPORT FOR OTHER CANDIDACIES WILL PREVENT FIRST ASSEMBLY FROM REACHING

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DECISION. (THERE IS CONSIDERABLE SUPPORT FOR RETENTION OF GENEVA.) PRESIDENT IN 1970 AGREED WITH TITO THAT U.S. WOULD SUPPORT ZAGREB SO LONG AS IT IS VIABLE CANDIDATE. CASTRO Y CASTRO KNOWS THIS AND UNDERSTANDS U.S. POSITION.

7. WE UNDERSTAND PROVISIONAL SECRETARY GENERAL PLANS TO CONVENE FIRST WTO ASSEMBLY IN GENEVA IN MARCH OR APRIL 1975, AND SWISS AUTHORITIES ARE MAKING HOSTSHIP ARRANGEMENTS. PLANS CALL FOR SUBSEQUENT EXTRAORDINARY ASSEMBLY TO BE CONVENED IN JUNE 1975 TO APPROVE FIRST WTO BUDGET FOR BIENNIUM BEGINNING JANUARY 1976. DECISION COULD BE TAKEN BY FIRST ASSEMBLY TO HOLD EXTRAORDINARY SESSION IN JUNE ELSEWHERE THAN GENEVA. IT IS NOT POSSIBLE AT THIS STAGE TO FORESEE WHETHER THERE WOULD BE SUPPORT FOR DOING SO, OR WHETHER A MEXICAN INVITATION WOULD FIND ACCEPTANCE.

8. WITHIN CONSTRAINTS ELABORATED ABOVE, WE HOPE TO MAINTAIN CORDIAL RELATIONSHIP WITH GOM ON WTO TRANSFORMATION QUESTIONS, AND BELIEVE THAT IF EMBASSY CONTINUES GENERAL POSTURE OF PARA 5 ABOVE IN SUBSEQUENT CONVERSATIONS WITH CASTRO Y CASTRO OR OTHER GOM OFFICIALS IT WILL CONTRIBUTE USEFULLY TO THIS END. EMBASSY MEXICO WILL BE KEPT APPRISED OF PERTINENT CABLE TRAFFIC ON THIS SUBJECT. KISSINGER

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